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REFERENCE TITLE: **tax credits; technology training**

State of Arizona
House of Representatives
Forty-sixth Legislature
Second Regular Session
2004

HB 2587

Introduced by
Representatives Reagan, Thompson

AN ACT

AMENDING SECTIONS 43-1088.01 AND 43-1179, ARIZONA REVISED STATUTES; RELATING TO INCOME TAX CREDITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 43-1088.01, Arizona Revised Statutes, is amended to
3 read:

4 43-1088.01. Credit for technology training; definition

5 A. For tax years beginning from and after December 31, 2000 and ending
6 before January 1, 2006, a credit is allowed against the taxes imposed by this
7 title for expenses incurred by the taxpayer for providing qualified
8 technology skills training to not more than twenty of the taxpayer's
9 employees.

10 B. The amount of the credit is equal to fifty per cent of the amount
11 actually spent during the calendar year for the cost of training but not more
12 than one thousand five hundred dollars per employee.

13 C. To receive a tax credit under this section, a taxpayer must apply
14 to the department of commerce, on a form prescribed by the department of
15 commerce, on or before January 15 following the calendar year in which the
16 expenses were incurred. On or before February 15 of that same year, the
17 department of commerce shall review and determine the amount of the credit
18 for each taxpayer and issue a certificate to each qualifying applicant
19 stating the amount of the credit. The taxpayer shall claim the credit on the
20 next tax return filed after receiving the certificate from the department of
21 commerce. The department of commerce shall not certify tax credits under
22 this section in any calendar year exceeding two million five hundred thousand
23 dollars. ~~If qualifying applications exceed two million five hundred thousand~~
24 ~~dollars, the department of commerce shall proportionately reduce the amount~~
25 ~~of the credit allowed each taxpayer.~~

26 D. If the allowable tax credit exceeds the taxes due under this title
27 on the claimant's income, or if there are no taxes due under this title, the
28 amount of the claim not used to offset the taxes under this title shall be
29 paid in the same manner as a refund granted under section 42-1118. Refunds
30 made pursuant to this section are subject to setoff under section 42-1122.

31 E. Co-owners of a business, including partners in a partnership and
32 shareholders of an S corporation, as defined in section 1361 of the internal
33 revenue code, may each claim only the pro rata share of the credit allowed
34 under this section based on the ownership interest. The total of the credits
35 allowed all of the owners shall not exceed the amount that would have been
36 allowed for a sole owner.

37 F. For THE purposes of this section, "qualified technology skills
38 training" means a training program that is certified by the department of
39 commerce under section 41-1518.01.

40 Sec. 2. Section 43-1179, Arizona Revised Statutes, is amended to read:

41 43-1179. Employer credit for technology training; definition

42 A. For tax years beginning from and after December 31, 2000 and ending
43 before January 1, 2006, a credit is allowed against the taxes imposed by this
44 title for expenses incurred by the taxpayer for providing qualified

1 technology skills training to not more than twenty of the taxpayer's
2 employees.

3 B. The amount of the credit is equal to fifty per cent of the amount
4 actually spent during the calendar year for the cost of training but not more
5 than one thousand five hundred dollars per employee.

6 C. To receive a tax credit under this section, a taxpayer must apply
7 to the department of commerce, on a form prescribed by the department of
8 commerce, on or before January 15 following the calendar year in which the
9 expenses were incurred. On or before February 15 of that same year, the
10 department of commerce shall review and determine the amount of the credit
11 for each taxpayer and issue a certificate to each qualifying applicant
12 stating the amount of the credit. The taxpayer shall claim the credit on the
13 next tax return filed after receiving the certificate from the department of
14 commerce. The department of commerce shall not certify tax credits under
15 this section in any calendar year exceeding two million five hundred thousand
16 dollars. ~~If qualifying applications exceed two million five hundred thousand~~
17 ~~dollars, the department of commerce shall proportionately reduce the amount~~
18 ~~of the credit allowed each taxpayer.~~

19 D. If the allowable tax credit exceeds the taxes due under this title
20 on the claimant's income, or if there are no taxes due under this title, the
21 amount of the claim not used to offset the taxes under this title shall be
22 paid in the same manner as a refund granted under section 42-1118. Refunds
23 made pursuant to this section are subject to setoff under section 42-1122.

24 E. Co-owners of a business, including corporate partners in a
25 partnership, may each claim only the pro rata share of the credit allowed
26 under this section based on the ownership interest. The total of the credits
27 allowed all of the owners of the business shall not exceed the amount that
28 would have been allowed for a sole owner of the business.

29 F. For **THE** purposes of this section, "qualified technology skills
30 training" means a training program that is certified by the department of
31 commerce under section 41-1518.01.